



Department of Energy

Washington, DC 20585
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MEMORANDUM FOR DISTRIBUTION

FROM:

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SUBJECT:

Ensuring Accurate Reporting of Small Business Subcontracting Data

The purpose of this memorandum is to ensure that the procedures for submitting small business subcontracting data are clearly communicated to all contractors. In October of 2004, the Office of Federal Procurement Policy (OFPP) delayed the requirement for reporting fiscal year (FY) 2004 subcontracting reports pending the award of the new Electronic Subcontracting Reporting System (eSRS). Subsequently, there were delays in awarding and implementing eSRS. As a result, the DOE Subcontracting Reporting System (SRS) is now back online to collect Standard Form (SF) 294, Subcontracting Report for Individual Contracts, data for October 2004 and March 2005.

Contractors have until June 30, 2005 to enter their reports in the DOE SRS. The reports must be reviewed and accepted by the HCAs into the system by July 29, 2005. After that date, the system will be closed for collecting reports, but will be accessible for historical data. The Department must ensure that the latest subcontracting reports are reviewed for accuracy before transitioning to the new Electronic Subcontracting Reporting System (eSRS), which should be operational by August 2005. Once the new system is online, the October 2004 SF295 reports will need to be submitted into eSRS. By October 2005, the Department should be back on a normal reporting schedule utilizing only the eSRS.

The accuracy of the subcontracting statistics reported is vital to the credibility of the Department's performance in this area, which continues to be monitored by Congress, the SBA, trade organizations, small business advocacy groups, and other entities.



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Please ensure that your contractors comply with the reporting procedures identified in the attachment, SBA's "Goaling Guidelines for Small Business Preference Programs for Prime and Subcontractor Federal Procurement Goals & Achievements," and our Acquisition Letter 2005-06. Questions regarding submittals of individual and summary subcontracting reports should be directed to Mara Grissom ME-651 at (202) 287-1769.

Attachment

Distribution List:

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The following procedures must be followed for SF 294s:

1. Contracting Officers shall ensure that the contractor submits the SF 294, Subcontracting Report for Individual Contracts, in accordance with FAR 52.219-9, Small Business Subcontracting Plan
2. Only two exclusions from the subcontracting goaling base are currently listed on the SF 294. These exclusions are (1) subcontracts involving performance outside the U.S. or its outlying areas and (2) purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor. Contracting Officers shall ensure that prime contractors are aware of these procedures and do not apply additional exclusions when developing their subcontracting base.
3. Contractors must accurately provide the appropriate data. This report requires the current goals and actual cumulative whole dollars since the inception of the contract. In the case of the National Nuclear Security Administration (NNSA) contracts that exceed five years, the cumulative amount is calculated from the beginning of the last option exercise and maintained through the completion of the contract. Whole dollar figures reported shall be the actual amount and shall not exceed the amount obligated on the contract. Contractors shall use subcontracting plan information for blocks 10a through 16, entitled "Current Goal." Prime contractors shall not include lower tier subcontracting figures in their reports.
4. Contracting Officers (COs) need to thoroughly review the SF 294 against the subcontracting plans and against the previously submitted reports to ensure consistency and accuracy. In the past, we have received subcontracting reports that contained erroneous information (e.g., adding Cooperative Agreements). This would not have happened if reports were properly reviewed with the appropriate tools.

The following procedures must be followed for the SF 295, Summary Subcontract Report:

1. COs shall ensure that the contractor submits the SF 295 in accordance with the clauses at FAR 52.219-9.
2. Only two exclusions from the subcontracting goaling base are currently listed on the SF 295. These exclusions are (1) subcontracts involving performance outside the United States or its outlying areas and (2) purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor. COs shall ensure that prime contractors are aware of these procedures and do not apply additional exclusions when developing their subcontracting base.

Changes under eSRS

Once the Electronic Subcontracting Reporting System (eSRS) is operational, paper reports will be eliminated. If a paper copy is necessary for the contract file, the new system will allow reports to be printed.

The Department will no longer use the terminology SF 294 or SF 295. The SF294 will become the Individual Subcontracting Report. The SF295 will become the Summary Subcontracting Report. Also, lower tier reporting will be required on the Individual Subcontracting Reports. The FAR is being changed to require prime contractors to flow down the subcontracting reporting clause to their lower tier, large business subcontractors.

Responsibilities for report reviews are changing with the new system. COs are responsible for reviewing the Individual Subcontracting Reports that pertain to their contracts. OSDDBU will be responsible for the Summary Subcontracting Reports and for making sure that the Small Business Program Managers review them.